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HISTORY
— OF THE —
AMALGAMATION
— OF THE —
“NOVA SCOTIA MUTUAL”
— AND —
Royal Canadian Fire Insurance Co's.

— WITH —
A BRIEF ACCOUNT OF THE SPECIAL
JURY TRIAL,
S. PEDLAR,
vs.
ROYAL CANADIAN INSURANCE COMPANY.

HELD IN THE
SUPERIOR COURT AT MONTREAL,

November 26th and 27th, 1878.

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INCORPORATED IN CANADA

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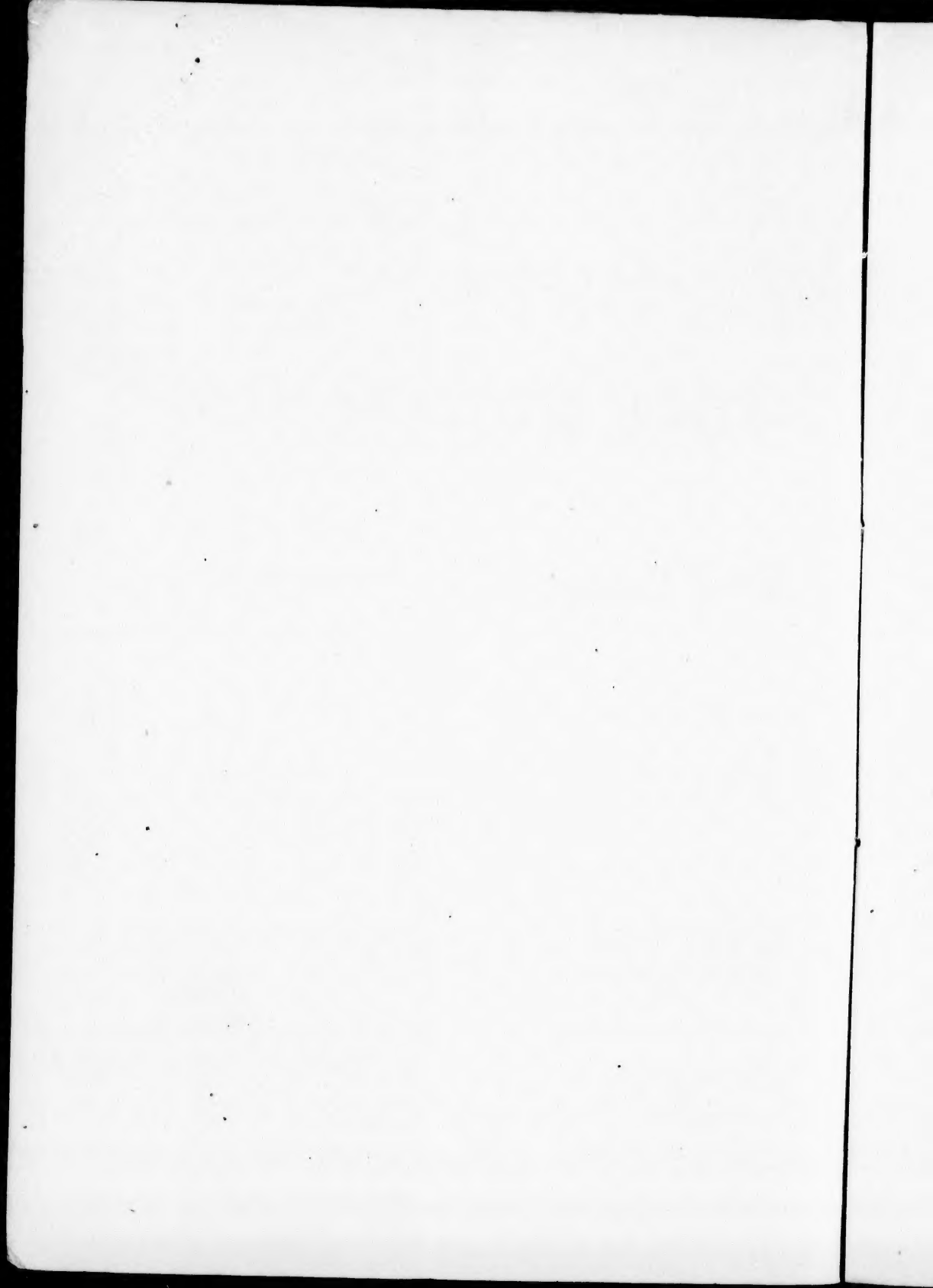
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November 26th and 27th, 1876.



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ROYAL CANADIAN INSURANCE COMPANY.

The following Telegrams, Letters, Agreements, &c., &c., are copies of those filed in this case in the Superior Court, Montreal.

In the summer of 1873, when the Hon. John Young and others were actively engaged in establishing the Company, (defendant.) Mr. Young, induced the Plaintiff to visit the Maritime Provinces to secure subscriptions to the capital Stock of his Company, agreeing to pay the Plaintiff a commission of one per cent upon such capital as might be secured to his Company through the services of the Plaintiff.

The Plaintiff accordingly left Montreal about the 8th of July, and on his way to the Maritime Provinces conceived the idea that the quickest way to promote the rapid extension of the Company's operations in those distant parts of the Dominion, would be to confine his efforts to absorbing local Insurance Companies, instead of inducing capitalists to put fresh capital into the business of fire Insurance, to injure the capital already invested in the business. Before reaching Halifax, the Plaintiff gained a good deal of information about the local Fire Insurance Companies of Halifax, and soon after reaching that city he called upon the President of the "Nova Scotia Mutual Fire Insurance Company", Mr. James B. Duffus, and made known to him the object of his visit to Halifax, mentioning at the same time, that he considered it would be to the advantage of the shareholders of his Company to retire from business, and transfer their capital and risks over to the Royal Canadian Insurance Company. The proposition was a bold one, but from the first it was looked upon with favour by the President of the Nova Scotia Mutual.

Finally, the Plaintiff decided to communicate with his principals at Montreal, which he did as follows by telegraph:—

Halifax, July 12, 1873.

To the Hon. John Young.

Royal Canadian Ins. Co.,
Montreal.

Favourable opportunity for amalgamating the Nova Scotia Mutual Fire Insurance Company, paid capital hundred thousand dollars, at risk nearly two millions of dollars. They want twenty-five per cent bonus, what say you?

(Signed.) S. PEDLAR.

The above telegram was the first intimation the Company had of the Plaintiff's project, and as it indicated a different line of action from what was expected, it must have been an agreeable surprise. The following letter was also forwarded the same day:—

Halifax Hotel, July 12, 1873.

To the Hon. John Young,

President Royal Canadian
Insurance Company.

Sir.—The telegram just sent you, doubtless will convey the impression to your mind as well as the Directors, that Halifax people have been made aware of the object of my mission hither. I have now attained to that stage that it is highly necessary that I should give a full description of the matter up to this date. I found the city had several Fire Insurance Companies, and the Foreign ones, lowering their rates. The *Etna* of Hartford, in the hands of a most excellent agent, was not in the tariff combination, thus removing the objections which existed so favourably to our work in Montreal.

I decided to sound through Mr. Kinnear (of Kinnear & Jones, the Nova Scotia Mutual Fire Insurance Company, a company of two years standing, in a healthy state, with a good paid up capital of one hundred thousand dollars, to see if it could be got to transfer its capital. I entered into this idea, believing it the best and quickest way to accomplish rapid work in getting stock. I felt sure you would not care how soon I earned a handsome commission, only that results were secured.

Mr. Kinnear this a. m. told me he would go with me to the office of the Nova Scotia Mutual, and there the President J. B. Duffus, and myself could talk over the matter. Mr. Kinnear, Mr. Duffus, and one or two other gentlemen, thereupon expressed themselves favourably upon their transferring their business, capital, and all, over to the Royal Canadian, calling the one hundred thousand dollars cash paid up to be the 10 per cent call upon one million dollars subscribed stock. In subsequent conversation with Mr. Duffus, he stated that while the stockholders as a body had not been consulted, the principal ones felt there would be consent of the whole, providing a reasonable bonus, they stated twenty-five per cent of the entire capital (handed over) were allowed for the goodwill of their business, also, that no marine business be transacted for the present.

Their business is supposed to be healthy, for the shareholders are themselves the heaviest insurers, only one loss has taken place since commencing. After paying a liberal dividend they show a handsome surplus, notwithstanding the large risk of over one and a half million of dollars.

I have no doubt in my own mind about the rare opportunity which presents itself through my efforts in this instance. In one transaction the Royal

Canadian gains not only a splendid class of wealthy solid shareholders, but a tangible available asset, besides a business, a place to do it in, a capable management, and best of all an interested, co-operating, influential, body of insurers, giving the Royal Canadian a hold upon the Maritime Provinces, that to commence at the bottom could not be attained if ever in a quarter of a century.

How to bring the transfer about is the question. A bonus will be asked, and I think it is worth a bonus, but think ten per cent nearer the value than twenty-five per cent.

We should make the best possible bargain. The gentlemen referred to know the hazard stockholders in a purely local office run, and no doubt believe in my statement that it would be a safer situation for them to be holders of one million dollars of subscribed shares in the Royal Canadian, than holders of two hundred thousand dollars in the Nova Scotia Mutual to say nothing about bonus, even, hence we may be able to have a fair bargain, and jointly conclude an arrangement mutually satisfactory. I shall await further instructions. Should you consider the scheme a valuable one, a proper competent person, or persons, should come on here fully authorized to proceed further with details.

I feel that I have well earned my commission in opening up the way in this large handsome transaction, but will stay here and render any assistance required so that the Royal Canadian shall soon be a *stern, reliable, enduring* fact. Please delay no reply no longer than you can help. I have not called upon Tobin, nor Cochrane.

I remain very truly,

S. PEDLAR.

After mailing the above letter, the following telegram was received:—

Montreal, July 14, 1873.

To S. Pedlar, Esq.,

Halifax.

"At present cannot act till new Board is elected. Write me fully on subject.

(Signed.) JOHN YOUNG.

On receipt of this, the Plaintiff sent the following telegram:

Halifax, July 14, 1873.

To the Hon. John Young,

Montreal.

Have written. I start early for Montreal to explain matters.

(Signed.) S. PEDLAR.

Before leaving for Montreal, Mr. Duffus, the President of the Nova Scotia Mutual, had addressed the Plaintiff the following letter which may be said to form the basis of the negotiations which finally resulted in an agreement of amalgamation.

Halifax, July 14, 1873.

Mr. S. Pedlar,

Halifax Hotel.

Dear Sir,

In reference to the communication with you, respecting the Royal Canadian Insurance Co., I communicated the spirit of the same to my Co-Directors. They would be prepared to recommend the acceptance of say \$50,000 in stock in the Royal Canadian Co., to the Shareholders of the Nova Scotia Mutual Fire Insurance Co., provided they can sell to the Royal Canadian Co., at a fair price the good-will of the Nova Scotia Mutual Co. I may

say that I do not consider the price named by me \$25,000 at all excessive, considering the present position of the Nova Scotia Mutual Co., as the business could be very much increased from October to January, 1874, if amalgamated with a Company of large capital.

Yours respectfully,

JAMES B. DUFFUS,
President N. S. M.

Montreal was reached in due time, and at an interview with the Directors, the project was considered to be of so much importance that no time should be lost in having it accomplished, and Mr. Young, the Provisional President of the Company, Defendant, was instructed to proceed without delay to Halifax with the Plaintiff to secure this end.

Halifax was reached, and at a conference of the Directors of the Nova Scotia Mutual Fire Insurance Company, Mr. Young and the Plaintiff, an agreement was duly entered into as follows:—

AGREEMENT.

Memorandum of Agreement entered into between the Nova Scotia Mutual Fire Insurance Company on the one hand, and the Royal Canadian Insurance Company of Montreal, on the other hand.

That is to say, that in a conference held on the twenty-fifth day of July, 1873, of the Directors of the Nova Scotia Mutual Fire Insurance Company, and the Hon. John Young, M. P., the President of the Royal Canadian Insurance Company of Montreal, it was agreed:

That it would be mutually advantageous that the Nova Scotia Mutual Fire Insurance Company should be merged into the Royal Canadian Insurance Company of Montreal, on the following conditions:

1st. That the risks now remaining of the Nova Scotia Mutual Fire Insurance Company, amounting to the sum of about one million five hundred thousand dollars, should be assumed by the Royal Canadian Insurance Company, and that the Premiums which have been received from these risks (lists of which both of the risks and premiums to be made out) should be equally divided between both companies. The amount received being \$11,500, one half to be kept by the Nova Scotia Mutual Fire Insurance Company, and the other half being paid over to the Royal Canadian Insurance Company, they take the risks for the fifty per cent of the Premiums of covering all losses from the Policies issued up to this time by the Nova Scotia Mutual.

2nd. The shareholders of the Nova Scotia Mutual Fire Insurance Company, agree to subscribe stock in the Royal Canadian Insurance Company of Montreal to the extent of five hundred thousand dollars, with liberty to subscribe seven hundred and fifty thousand or one million dollars, and to pay over ten per cent of the said stock to the Directors of the Royal Canadian, or in other words (\$50,000) fifty thousand on the five hundred thousand, and in proportion for a larger amount.

3rd. For the goodwill of the business surrendered by the Nova Scotia Mutual, to the Royal Canadian, it is agreed that at the end of the twelve months, from the date of the subscription of the stock, the Royal Canadian Insurance Company agree to pay over to the original shareholders of the Nova Scotia Mutual Fire Insurance Company, one per cent on all stock subscribed up to the extent of one million dollars, but not for a less amount than five hundred thousand dollars.

4th. It is agreed that the business of the Nova Scotia Mutual Fire Insurance Company shall be

continued as at present, (after the arrangements are completed) in the name of the Royal Canadian Insurance Company of Montreal, that all Policies shall be issued in its name, that the business of the Company in Nova Scotia shall be conducted by the present President and Directors of the Nova Scotia Mutual Fire Insurance Company and by the present Secretary, under such instructions as may from time to time be issued by the present Company at Montreal, for the general guidance and conduct of the business of the Company.

5th That the present lease of the office on the corner of Prince Street and Bedford Row, with all the rights and privileges of hire, are hereby given by the Nova Scotia Mutual Fire Insurance Company to the Royal Canadian Insurance Company, at the price paid by the Company for the Lease, and that the Furniture of the Office be assumed by the Royal Canadian Insurance Company at the cost of the same.

(Signed,) JOHN YOUNG,
President Royal Canadian Ins. Co.,
Montreal.

J. B. DUFFUS,
President Nova Scotia Mutual Fire
Insurance Company.

When the above agreement was entered into, all parties to it, considered a satisfactory arrangement had been entered into. Mr. Young and the Plaintiff in a few days after the completion of the agreement, returned to Montreal, to take part in the first meeting of the shareholders for the election of Directors. The following paragraph taken from the "*Montreal Herald*" is interesting in showing the reference that was made at this meeting to this project.

Extract from the "Montreal Herald."

12th August, 1873.

Mr. Young, the chairman, said :—

"At one of their meetings, it had been deemed advisable, and indeed necessary, to obtain the active cooperation of the Maritime Provinces. Accordingly he went to Halifax with Mr. Pedlar, and after negotiation, succeeded in making an agreement by which the "Nova Scotia Mutual" and the Royal Canadian Insurance Companies should merge into each other. The Directors who for over two years managed that Company, agreed to take five hundred thousand dollars worth of the stock in our Company, and give over to us their business at the usual rate of fifty per cent.

Quite unexpectedly, however, President Duffus of the "Nova Scotia Mutual," of Halifax, communicated the following day the intelligence, that certain one or two of the shareholders of his Company, were dissatisfied with the agreement entered into, and the Plaintiff was directed to go to Halifax the third time, to remove, if possible, those difficulties.

The Plaintiff arrived in Halifax in time to attend a meeting of the Halifax shareholders at the request of President Duffus, as representative of the company. Defendant, but before attending this meeting he forwarded the following telegram :—

Halifax, August 19, 1873.

To Hon. John Young.

Montreal.

"Meeting to-morrow to confirm three hundred thousand subscribed. Feeling against more shall I accept?"

(Signed,) S. PEDLAR.

The following is Mr. Young's reply :—

Montreal, August 19, 1873.

To S. Pedlar.

Jas. B. Duffus,

Halifax.

"Our Board think you should accept, although we would have liked the whole. Business continues to flow in.

(Signed,) JOHN YOUNG,
President.

The Plaintiff attended the meeting referred to, and answered such questions as were put to him by shareholders of the Nova Scotia Mutual.

It will be seen by the following resolution that while not expressed in so many words the Halifax people felt that they were hasty, in transferring their capital and business to the Company Defendant before it had more of its stock subscribed.

Resolution of N. S. M. Shareholders.

"Moved by Mr. Pugh, seconded by Mr. Doull, That when stock to the amount of four millions of dollars is subscribed in the Royal Canadian Insurance Company of Montreal, including the amount subscribed by the stockholders of the Nova Scotia Mutual, which shall not be less than three hundred thousand dollars, then the Royal and the Nova Scotia Mutual shall amalgamate upon the terms previously agreed upon. This proposition to remain open to first of January, eighteen hundred and seventy-four. (Carried.)

Immediately after the close of this meeting, the Plaintiff decided to return to Montreal, and before doing so, sent the following telegram :—

Halifax, August 20, 1873.

To Hon. John Young,

President,

Montreal.

"Successful merely in advancing another stage. Start for Montreal to-morrow.

(Signed,) S. PEDLAR.

The Plaintiff called at the office of the Company, Defendant, when he reached Montreal, and verbally reported in substance what the difficulties were at Halifax—and furnished a copy of the resolution passed at the meeting referred to. This closed the negotiation which was originated and successfully completed through the exertions and labours of the Plaintiff.

It is presumed correspondence continued between the Officers of the two Companies, but as the Plaintiff's services closed when he returned from Halifax the third time, he had no part in it.

PLAINTIFF ASKS FOR COMPENSATION.

Some six weeks thereafter, while in Toronto visiting friends and devoting personal attention to his own private business, the Plaintiff felt that the Company, Defendant, was slow in showing a proper appreciation of the valuable services which he had rendered in the Halifax negotiations which involved the expense of three round trips to Halifax, to say nothing of the care, anxiety, and time given during this lengthy negotiations. So acting upon the belief that though the Company did not move in the way indicated the Plaintiff felt that he was entitled to some compensation, hence the following correspondence took place:—

Queen's Hotel,
Toronto, October 5, 1873.

John Young, Esq.,
President,
Royal Canadian Ins. Co.

Dear Sir,

As a simple act of justice to myself, I beg to ask of the Directors of your Company a just and proper compensation for time and expenses incurred in the negotiations with the Nova Scotia Mutual Insurance Company. My cash outlay, as expenses, is nearly two hundred dollars, having made three trips in all to Halifax, therefore you can form some idea what would be a fair compensation for the part I have taken in the matter.

My address at present is the "Etna Life" Office, Toronto. Trusting you will give this matter due attention,

I remain,

Yours truly,

S. PEDLAR.

Montreal, October 11, 1873.

S. Pedlar, Esq.,
"Queen's Hotel,"
Toronto.

Dear Sir,

I am in receipt of your letter of the 6th instant, asking the Company I represent, for compensation for your time and expenses in going to Halifax in its interest.

I have had no opportunity of submitting your letter to the Directors, but you must be aware that on the belief that you would be successful in the negotiations you allude to at Halifax, it was understood and agreed that you on your part were to bear your own expenses, and that you run the risk of being paid out of the commission resulting from the success of your mission. Your negotiation having proved a failure, it does not seem to me you have any claim on the Company.

If however you think otherwise, I will bring the matter before the Directors for their decision, and if I understand your letter, you will under the circumstances be willing to receive \$200 (two hundred dollars) in compensation for your expense and labour. Of course you are aware that even if you had succeeded, your success would have been largely owing to my letters to friends in Halifax.

Yours very truly,

JOHN YOUNG,
President Royal Canadian.

Queen's Hotel,
Toronto, October 10, 1873.

To Hon. John Young,
President,
Royal Canadian Ins. Co.,
Montreal.

Dear Sir,

Your favor of the 11th came duly to hand. With the kindest feelings of respect for you personally, I must insist, that because your Company allows agreements to be repudiated, my rights are not to suffer in consequence.

The agreement in the possession of your Company is the best possible proof that there was no thing wanting in the negotiation. On the contrary they are quite creditable to those taking part in them in behalf of the Royal Canadian, and the failure is owing, in fact, to your Company, not insisting upon the agreement being carried out.

You wish to know if two hundred dollars, the sum disbursed by me, would be deemed sufficient compensation. In reply would merely say, you are a competent body to decide what would be a proper compensation without prejudice to my rights, should the "Nova Scotia Mutual" yet carry out its agreement.

Very truly,

S. PEDLAR.

A few days after mailing the last letter, the Plaintiff returned to Montreal, and called at the office of the Company, Defendant, so as to further press his claim for compensation. Mr. Young being out of town, the Plaintiff conversed with the Manager, and learned from him that there was no prospect whatever of the final carrying out of an Agreement with the Shareholders of the "Nova Scotia Mutual," and as this was a pretty general belief with everyone at the time, the Plaintiff had no other course but to fall in with the same view. The Plaintiff called at the office several times after this, and finally the Directors of the Company, Defendant, in view of the time and expense given to the matter by the Plaintiff, instructed the Secretary to pay him the sum of two hundred dollars, barely half of what the Plaintiff had paid out of his own pocket. However the Plaintiff accepted the \$200, and gave the following

RECEIPT.

Montreal, 2nd December, 1873.

\$200.

Received from the Royal Canadian Insurance Company, the sum of two hundred dollars (\$200), being in full compensation for all services in connection with my mission to Halifax, in behalf of the said Company or elsewhere, and for all services up to date.

(Signed,) S. PEDLAR.

When the above receipt was given, the Plaintiff remarked to the Secretary who drew it out, "that he, the Plaintiff, would look to the Company, Defendant, for full compensation should the Nova Scotia Mutual shareholders ultimately carry out an Agreement to retire from business and transfer their capital and business over to the Royal Canadian."

The Plaintiff's Project is revived, but the Company Defendant most disgracefully and dishonorably repudiates his rights in it.

A few months after giving the above receipt, the Plaintiff noticed a paragraph in the "*Montreal Herald*," to the effect that the "*Nova Scotia Mutual Fire Insurance Company*" had ceased to do business, and that its capital and business, amounting to nearly two millions of dollars, were transferred to the Royal Canadian Insurance Company.

The Plaintiff soon after seeing the above paragraph called at the office of the Company, Defendant, to see the President, but as he was not in the office, he met the Manager, to whom the Plaintiff offered his hearty congratulations over the final amalgamation of the two Companies, and followed that up by asking for the commission which he felt he was entitled to, and which the Company, Defendant, could afford to pay. The Manager answered "that his Company had already paid the Plaintiff in full for his services in connection with those Halifax negotiations and held a receipt to that effect, besides the final Agreement entered into between the two Companies had no connection whatever with the Plaintiff's negotiations and therefore he was not entitled to further pay."

Notwithstanding this view of the Manager, the Plaintiff called again at the office of the Company, and saw the President, who positively refused to consider the Plaintiff's claim. The Plaintiff answered the President, by telling him that he was astonished at his course, and immediately left the office of the Company.

Notwithstanding the obstacles thus set in his way, the Plaintiff was determined to defend his rights, and as a first step addressed the Secretary the following letter:

Montreal, September 16th, 1874.

A. Gagnon, Esq.,
Sec. Royal Canadian Ins. Co.

Dear Sir,

Now that the Halifax people have at last cast in their lot with the "Royal Canadian," I consider it my duty to receive full compensation for my services during the summer of '83.

If a stock secured to the Royal Canadian can afford to bear a commission of one per cent, it is the Halifax stock, for it is the only stock yet obtained. I believe, which caused a retirement of competitors.

I have only received the sum of \$200, for services that caused me to make three trips to Halifax, not sufficient to reimburse me for travelling expenses alone. This sum, small as it was, I accepted, because at the time I was opposed the Halifax people would not join the "Royal Canadian." Mr. Duffus, of Halifax, wrote me a few days previous supporting this supposition, but now after the lapse of a few months the scheme is to all intents and purposes carried out, on account of which I base my claim for full compensation.

Having every confidence that the Directors will do what is right and just in the case, you will greatly oblige by placing this letter before them at your earliest convenience.

I remain,
Very truly,

S. PEDLAR.

Montreal, September 22nd, 1874.

S. Pedlar, Esq.

Dear Sir,

"Your letter of the 16th inst., preferring a claim against the Company for services rendered at Halifax has been submitted to the "*Board of Directors*," and in reply I am directed to say that the request therein contained is not granted, it having no connection with subsequent negotiations to the settlement made with you for "*full compensation for all services in connection with your mission to Halifax in behalf of this Company, or elsewhere, and for all services to date of settlement.*"

(Signed,) A. GAGNON,
Secretary.

The Secretary's reply it will be seen squarely puts on record the design of the Company, defendant, to repudiate the rights of the Plaintiff.

The Plaintiff felt that the Directors were being influenced by the President and Manager, and therefore before taking further step, decided to ask for a hearing before the "Board of Directors," accordingly he addressed the following letter to the Secretary:

Montreal, Sept. 30, 1874.

A. Gagnon, Esq.,
Secretary,

Dear Sir,

"Your favor of the 22nd inst., came duly to hand. This letter I regret commits the Board of Directors in such a manner as would not have been if the whole of the facts were better known.

I feel it to be adding insult to injury, for my rights to be thrust aside in such a manner. I am satisfied that if the Board will grant me permission to appear in person to defend myself in open session, that a more just and satisfactory conclusion will be arrived at. I therefore ask of the Directors for an early opportunity of appearing before them. My mission to Halifax occupied six weeks of close application to one idea, for the interest of your Company, caused me to make three consecutive trips to Halifax, therefore such work is not like a mere summer excursion. Please present this letter for the consideration and action of to-day's Board Meeting.

Very truly,
(Signed,) S. PEDLAR.

The Company, Defendant, after weeks of deferring, reluctantly granted the Plaintiff a hearing. The President in the chair, Kay, Ostell, Mullarkey, Wilson and Thibault, were the Directors present. The Plaintiff confined his remarks to a mere recital of the facts of the history of his project, and his labor in connection with it.

The President only on the part of the Directors offered any remarks. He said, addressing the Plaintiff, "You will admit, will you not, that you were aided in your labor at Halifax by my letter of introduction I gave you?" To which the Plaintiff said, "certainly."

The Directors promised the Plaintiff that the claim would be duly considered, and this ended the interview, but this they did not do, hence the Plaintiff addressed the secretary another, and a final letter:

Montreal, Nov. 18, 1874.

Arthur Garmon, Esq.,
Secretary,
Royal Canadian Ins. Co.

Dear Sir,

"I herewith request that the commission due me upon certain Stock secured to your Company through the amalgamation of the Nova Scotia Mutual Insurance Company of Halifax, be placed to my credit in paying up in full, stock in your Company subscribed by me in the summer of 1873. The balance I will accept in cash.

Very truly,

(Signed,) S. PEDLAR.

Not receiving any reply to this communication, and learning that anything but harmony prevailed at board meetings, he at once instructed his legal advisers, Messrs. Abbott, Tait, Wotherspoon and Abbott, to commence proceedings against the Company.

TRIAL 26th NOVEMBER, 1875.

The case came to trial before Mr. Justice McKay, and a special Jury in the Superior Court, the 26th of November, 1875. The Jury was exceptionally the most influential and intelligent that had tried a case for a number of years. The following are the names of the Jury:—

Edward Murphy,
(of Frothingham & Workman),
Robert Kerr,
(Commission Merchant),
Robert Mitchell,
(of R. Mitchell & Son.)
Duncan Bell,
(Commission Merchant),
Robert J. Brown,
(of Brown & Claggett),
James Mills,
(of Mills & Hutchison),
John McLea,
(of J. & R. McLea),
David Grant,
(Glassware and Crockery),
William Muir,
(of Muir & Ewan),
Herbert F. Coones,
(Grain Merchant),
Edmund H. Botterell,
(of John Henderson & Co.),
Edward Cope and,
(of Copeland & McLaren.)

The Trial occupied the whole of two days, and resulted in the following

VERDICT FOR PLAINTIFF.

1st. Did the Company, defendant, employ the plaintiff, in July, eighteen hundred and seventy-three, to obtain subscriptions to its capital stock?

A. Yes.

2nd. Did not the said Company acting in the premises by the Honorable John Young, agree to pay the plaintiff one per cent. upon all of its stock which he should get taken up or subscribed for?

A. Yes.

3rd. Did the plaintiff enter into negotiations with the Nova Scotia Mutual Insurance Company, in order to effect an amalgamation of the Company defendant, with that Company, and was a plan of amalgamation between these Companies arranged and almost completed, principally through plaintiff's exertions?

A. Yes.

4th. Did the said plaintiff receive any and what assistance from the Honorable John Young, Alfred Perry, and Mr. Duffus mentioned in the pleadings in this cause?

A. Yes; such assistance as principals are supposed to render an agent in carrying out such a transaction.

5th. Were said negotiations dropped and at an end in December, one thousand eight hundred and seventy-three?

A. Were dropped for the time being, but the Honorable John Young continued urging the matter upon Mr. Duffus' attention.

6th. Did the said Company, defendant, pay to the plaintiff on the second of December, eighteen hundred and seventy-three, the sum of two hundred dollars mentioned in the receipt filed in this cause by defendant, as Exhibit number One, for the causes and reasons in said receipt stated, and is said receipt signed by plaintiff?

A. Yes, and signed the receipt under the reservation produced in evidence.

7th. Was the receipt produced by the Company, defendant, given on the false representations of the said Company, defendant, that no amalgamation would be effected between that Company and the said Nova Scotia Mutual Insurance Company?

A. The receipt was given under the impression at the time held by both parties that no amalgamation would take place.

8th. Was any and what kind of amalgamation formed between the said Company, defendant, and the Nova Scotia Mutual Fire Insurance Company, and when was such amalgamation effected, and on what precise basis and terms; and by whom was such amalgamation effected, and did the said plaintiff take any and what part in effecting the same?

A. There was amalgamation on the basis and terms contained in the indenture dated June 2nd, 1874, marked "B" in the exhibit thereof, the plaintiff taking no part in it, except as it was the result of previous negotiations.

9th. By what extent was the capital stock of the Company, defendant, increased by reason of the said amalgamation?

A. Increased by \$380,400.

10th. Was the said amalgamation in any way due to the conception, labor, exertions or negotiations of the plaintiff, and if so, what would be a fair remuneration for such labor, exertion and negotiation?

A. Yes, entitled to one per cent. upon the \$380,400, as per agreement, less \$200 paid by them.

All the above answers unanimous, except the last; one dissenting.

The business community pretty generally approved of the verdict, while the facts brought out in the trial placed the Company in an unfavourable light. Many expressed surprise at the Company going into court with a case so manifestly in favor of the Plaintiff.

Notwithstanding this verdict, the Company carried the case to the "Court of Review" which resulted in another trial being ordered, on the ground of some technical defect of the jury trial.

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